

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)

PUBLIC UTILITIES COMMISSION)

DOCKET NO. 2014-0192

Instituting a Proceeding to)
Investigate Distributed Energy)
Resource Policies.)
_____)

ORDER NO. 35369

ADDRESSING FURTHER TECHNICAL ISSUES
PERTAINING TO HAWAIIAN ELECTRIC COMPANY, INC.,
HAWAII ELECTRIC LIGHT COMPANY, INC. AND MAUI ELECTRIC COMPANY,
LIMITED'S TARIFFS FILED PURSUANT TO DECISION AND ORDER NO. 34924

FILED
2018 MAR 28 P 3:23
PUBLIC UTILITIES
COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

----- In the Matter of -----)
)
PUBLIC UTILITIES COMMISSION) Docket No. 2014-0192
)
Instituting a Proceeding) Order No. **35369**
to Investigate Distributed)
Energy Resource Policies.)
_____)

ADDRESSING FURTHER TECHNICAL ISSUES
PERTAINING TO HAWAIIAN ELECTRIC COMPANY, INC.,
HAWAII ELECTRIC LIGHT COMPANY, INC. AND MAUI ELECTRIC COMPANY,
LIMITED'S TARIFFS FILED PURSUANT TO DECISION AND ORDER NO. 34924

By this Order,¹ the commission directs the
HECO Companies to address issues remaining in the tariffs filed

¹The Parties to this proceeding are HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"), HAWAII ELECTRIC LIGHT COMPANY, INC. ("HELCO"), MAUI ELECTRIC COMPANY, LIMITED ("MECO") (collectively, HECO, HELCO, and MECO are referred to as the "HECO Companies"), KAUAI ISLAND UTILITY COOPERATIVE ("KIUC"), and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY (the "Consumer Advocate"), an ex officio party, pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62(a).

Additionally, the commission has granted intervenor status to the DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM ("DBEDT"), HAWAII SOLAR ENERGY ASSOCIATION ("HSEA"), RENEWABLE ENERGY ACTION COALITION OF HAWAII ("REACH"), HAWAII PV COALITION ("HPVC"), BLUE PLANET FOUNDATION ("Blue Planet"), THE ALLIANCE FOR SOLAR CHOICE ("TASC"), SUNPOWER CORPORATION ("SunPower"), LIFE OF THE LAND ("LOL"), RON HOOSON ("Mr. Hooson"), the DISTRIBUTED ENERGY RESOURCE COUNCIL OF HAWAII ("DERC"), APOLLO ENERGY CORPORATION ("Apollo"),

pursuant to Decision and Order No. 34924,² and more specifically:

- (1) clarify a customer's role and responsibility to ensure acceptable telemetry and control under Rule 24;
- (2) articulate a minimum reception threshold for cellular connectivity or comparable technology and identify alternatives for circumstances when the communication reception threshold cannot be maintained;
- (3) set forth an expedited timeline for availability of a third-party aggregator option to effectuate communication and controls under Rule 24; and
- (4) omit the communication requirements for a generating facility under Rule 25.

In addition, the commission solicits comments on the Companies' Revised Proposed Net Energy Metering ("NEM") Policy.

I.

BACKGROUND

On October 20, 2017, the commission issued D&O 34924, which addressed the "Technical Track" issues (Issue Nos. 3 and 4), as well as components of "Priority" issues (Issue Nos. 1 and 2),

PUNA PONO ALLIANCE ("Puna Pono"), ULUPONO INITIATIVE LLC ("Ulupono"), and the ENERGY FREEDOM COALITION OF AMERICA ("EFCA").

²Decision and Order No. 34924, filed October 20, 2017 ("D&O 34924").

as set forth in the statement of issues in Order No. 34206.³ Specifically, the commission ordered, in relevant part:

1. The commission approved the Parties' stipulation regarding: (A) Rule 14H, Appendix III, Screen 7 and (B) Rule 22, involving issues that had been raised during the Priority stage of Phase 2, but had not been resolved by D&O 34534 (the "Deferred Issues Stipulation");⁴

2. The commission approved the Parties' stipulation regarding Rule 14H, Appendix I, Subparagraph A to extend the Rule 14H requirement for formal certification of Qualified Advanced Inverters from September 7, 2017, to March 10, 2018 (the "Self-Certification Stipulation");⁵

3. The commission instructed the HECO Companies to file a tariff for an interim "smart export" program ("Smart Export") consistent with the commission's findings;⁶

³See Order No. 34206, "Establishing Statement of Issues and Procedural Schedule for Phase 2," filed December 9, 2016 ("Order No. 34206"), at 7-8. The commission first addressed the Priority Issues in Decision and Order No. 34534, filed on May 3, 2017, but deferred a number of issues for continued discussion during the Technical Track. See Decision and Order No. 34534, filed May 3, 2017 ("D&O 34534").

⁴See D&O 34924 at 169-170.

⁵See D&O 34924 at 172-174.

⁶See D&O 34924 at 172 and 177-180.

4. The commission denied the Parties' stipulation regarding activation of advanced inverter functions, and instead instructed the HECO Companies to file revisions to Rule 14H to: (A) activate the Volt-VAR and Frequency-Watt functions; (B) deactivate the Fixed Power Factor Function; and (C) implement revisions to Rule 14H's definitions;⁷

5. The commission clarified that participants in the NEM program may add non-export systems without forfeiting their place in the program, provided that they upgrade their legacy inverter equipment. The HECO Companies were instructed to propose a policy and procedure to effectuate this clarification;⁸

6. The commission approved revisions to Rule 23, the Customer Grid-Supply ("CGS") program, specifically: (A) clarifying that to the extent any capacity remains in the program after October 21, 2017, applications for the CGS program may continue to be accepted until that capacity is depleted; and (B) modifying Rule 23 to extend the existing CGS energy credit rate for another five years;⁹ and

7. The commission, on its own motion, established an interim "CGS+" program to "accommodate the continued gradual

⁷See D&O 34924 at 170-171 and 185-189.

⁸See D&O 34924 at 174-175.

⁹See D&O 34924 at 175-176.

transition toward energy storage-based DER offerings, while continuing to recognize and address the technical and economic concerns associated with direct-to-grid PV output."¹⁰

The HECO Companies were instructed to file proposed tariff revisions incorporating the Deferred Issues Stipulation, Self-Certification Stipulation, advanced inverter functions, and revisions to the CGS program within thirty (30) days of D&O 34924; likewise, the HECO Companies were also instructed to submit their proposed policy and procedure for allowing NEM customers to add non-export technology within thirty days of D&O 34924.¹¹ In addition, the HECO Companies were instructed to file proposed tariffs for the Smart Export program and CGS+ program within sixty (60) days of D&O 34924.¹²

On November 21, 2017, the HECO Companies filed their proposed revisions to Rule 14H (Interconnection of Distributed Generating Facilities with the Company's Distribution System), Rule 22 (Customer Self Supply, "CSS"), and Rule 23 (Customer Grid Supply, "CGS"), consistent with D&O 34924.¹³

¹⁰See D&O 34924 at 139-140 and 180-185.

¹¹See D&O 34924 at 191-192.

¹²See D&O 34924 at 191-193.

¹³Letter From: D. Brown To: Commission Re: Docket No. 2014-0192 - Instituting a Proceeding to Investigate Distributed Energy Resource Policies; Proposed Revisions to

Also on November 21, 2017, the HECO Companies filed their proposed policy and procedure for allowing NEM customers to add non-export technology, consistent with D&O 34924.¹⁴ On December 19, 2017, the HECO Companies filed proposed tariffs for Rule 24 (Customer Grid Supply Plus, "CGS+") and Rule 25 (Smart Export).¹⁵

On December 22, 2017, the commission issued a letter to the Parties, inviting them to comment on the HECO Companies' proposals by January 8, 2018.¹⁶

Rules 14H, 22, and 23 Tariffs, filed November 21, 2017 ("HECO November Filing").

¹⁴Letter From: D. Brown To: Commission Re: Docket No. 2014-0192 - Instituting a Proceeding to Investigate Distributed Energy Resource Policies; Proposed Policy and Procedure for Adding to NEM Systems," filed November 21, 2017 ("HECO NEM Policy Proposal").

¹⁵Letter From: D. Brown To: Commission Re: Docket No. 2014-0192 - Instituting a Proceeding to Investigate Distributed Energy Resource Policies; Hawaiian Electric Companies - Compliance Filing; Customer Grid Supply Plus and Smart Export Tariff Sheets, filed December 19, 2017 ("HECO December Filing").

¹⁶Letter From: Commission To: Service List Re: Comments to HECO's DER Filings - Docket No. 2014-0192; In re Public Utilities Commission, Instituting a Proceeding to Investigate Distributed Energy Resource Policies, filed December 22, 2017.

In response to the commission's invitation, the commission received timely comments from DERC, EFCA, the Joint Parties,¹⁷ and the Consumer Advocate.¹⁸

On February 5, 2018, the commission issued Order No. 35266, which (1) approved the proposed tariff revisions to Rule Nos. 22 and 23, filed November 21, 2017; (2) approved, with modifications, the proposed tariff revisions to Rule No. 14H, filed November 21, 2017; (3) approved, with modifications, the proposed tariffs for Rule Nos. 24 and 25; and (4) instructed the HECO Companies to collaborate with stakeholders and submit a revised proposed policy and procedure for allowing NEM customers

¹⁷For purposes of this Order, the "Joint Parties" refers, collectively, to Blue Planet, Hawaii PV Coalition, HSEA, Ron Hooson, LOL, PPA, and TASC.

¹⁸See "Distributed Energy Resources Council of Hawaii's Comments on HECO's DER Filings; and Certificate of Service," filed January 5, 2018 ("DER Comments"); "Energy Freedom Coalition of America, LLC's Comments on HECO's Filings Relating to Policy and Procedures for Adding Non-Exporting Facilities to an Existing NEM System; HECO's Proposed Revisions to Rules 14H, 22 and 23; and HECO's Proposed Customer Grid Supply Plus and Smart Export Tariff; and Certificate of Service," filed January 8, 2018 ("EFCA Comments"); "Blue Planet Foundation's, Hawaii PV Coalition's, Hawaii Solar Energy Association's, Ron Hooson's, Life of the Land's, Puna Pono Alliance's, and The Alliance for Solar Choice's Comments on the HECO Companies' Filings; and Certificate of Service," filed January 8, 2018 ("Joint Parties Comments"); and Letter From: Consumer Advocate To: Commission Re: Docket No. 2014-0192 - In the Matter of Public Utilities Commission Instituting a Proceeding to Investigate Distributed Energy Resource Policies, filed January 8, 2018 ("CA Comments").

to add non-export technology to their systems within thirty (30) days.¹⁹

On February 20, 2018, pursuant to Order No. 35266, the HECO Companies submitted revised Rule 14H, Rule 24, and Rule 25 tariffs, which are effective as of the date of filing.²⁰

On March 9, in accordance with Order No. 35266, the Companies submitted their revised proposed policy and procedure that would allow NEM customers to add non-export technology to their systems provided they update their NEM system with advanced inverters.²¹

¹⁹See Order No. 35266, "Addressing Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited's Proposed Tariffs Filed Pursuant to Decision and Order No. 34924," filed February 5, 2018 ("Order No. 35266"), at 1-2.

²⁰Letter From: D. Brown To: Commission Re: Docket No. 2014-0192 - Instituting a Proceeding to Investigate Distributed Energy Resource Policies; Hawaiian Electric Companies - Compliance Filing; Rule 14H, Customer Grid Supply Plus and Smart Export Tariff Sheets, filed February 20, 2018 ("HECO February Filing").

²¹See Letter From: D. Brown To: Commission Re: Docket No. 2014-0192 - Instituting a Proceeding to Investigate Distributed Energy Resource Policies; Revised Proposed Policy and Procedure for Adding NEM Systems, filed March 9, 2018 ("Revised Proposed NEM Policy").

II.

DISCUSSION

The commission has reviewed the Companies' revised tariff filings, which are effective as of February 20, 2018, and observes that several issues remain that require immediate attention and resolution.

A.

Rule 24 (CGS+)

Upon review of the HECO Companies' Rule 24 tariff, there remains a need for additional revisions and/or clarifications. The commission outlines its outstanding concerns and directives in the sections that follow.

1.

Ambiguous Communication and Controllability Requirements

In D&O 34924, the commission outlined the pertinent, high-level communication and control features governing CGS+ systems. D&O 34924 states, in relevant part:

CGS+ systems shall be equipped with communication and control features such that the HECO Companies can ensure the safe and reliable operation of both the generating facility and the grid. When system conditions dictate, CGS+ systems may be curtailed as a single block. Given the HECO Companies' representations in their system-level hosting

capacity analyses, the commission expects that curtailment of these systems would occur after controllable renewable resources with lower curtailment priority (i.e., utility-scale renewable projects) have been fully curtailed and the utility is at risk of violating a system operational constraint that is necessary to maintain reliable service.

Additionally, with respect to curtailment priority, the CGS+ program curtailment block shall be curtailed second-to-last on each island system.²²

Pursuant to D&O 34924, on December 19, 2017, the HECO Companies submitted proposed tariff language, including a provision to govern "Communications and Controllability" under Rule 24.

In response to the HECO Companies' proposed Rule 24 tariff language, several Parties opined that the "Communication and Controllability" section was insufficiently clear. More specifically, the Joint Parties stated, ". . . to the extent that control is required for the CGS+ program, DER customers should not bear the burden of such an undefined, open-ended, and subjective standard."²³

Accordingly, by Order No. 35266, the commission stated that "the tariff should contain specific communication and

²²D&O 34924 at 147-148.

²³Joint Parties' Comments at 2.

control requirements" and that "[a]s proposed, Rule 24 does not provide details regarding communication and control features."²⁴ The commission went on to order the Companies to "provide more specific details as to how the Communication and Control requirements will be implemented, consistent with D&O 34924, in the language of the tariff."²⁵

The HECO Companies' "Communications and Controllability" section of Rule 24, while providing general details for communication and control features requirements, does not appear to have resolved the ambiguity and uncertainty present with that of the former, proposed "Communications and Controllability" provision.²⁶ Indeed, the commission notes that critical details pertaining to communications and controllability for CGS+ systems remain unspecified in Rule 24.

The commission finds this lack of specificity particularly perplexing given that the HECO Companies have advocated for DER controllability throughout the instant proceeding. Since 2015, the HECO Companies have indicated that the grid supportive functions of communications and autonomous

²⁴Order No. 35266 at 12.

²⁵Order No. 35266 at 13.

²⁶See HECO February Filing, Tariff Rule No. 24, Exhibit 1 at 4.

control will help to assure that the safety and reliability of the power system can be maintained.²⁷ During the course of this docket, the Companies have requested direct control over customer-sited DG-PV systems. For instance, the HECO Companies caveated their proposed Smart Export program with remote measurement, verification, and control of the generating facility's power output by means of a real-time communication channel.²⁸

The commission remains troubled by the lack of clarity from the Companies for assisting customers to understand how the communications and controllability features will be offered. The commission underscores the need to very clearly set forth the specific communications and controllability requirements within the tariff itself, such that customers can make an informed investment decision with little to no ambiguity around compliance with Rule 24.

Beyond the lack of general specificity offered regarding communication and controllability requirements, Rule 24 includes

²⁷See "Final Statement of Position of the Hawaiian Electric Companies; Exhibits 1-17; and Certificate of Service," filed June 29, 2015 ("HECO Companies' June 2015 FSOP"), at 4.

²⁸See "Hawaiian Electric Companies' Statement of Position Regarding Phase 2 Priority Issues; Exhibits 'A' through 'C'; and Certificate of Service," filed January 30, 2017 ("HECO Companies' January 2017 SOP"), at 10-12.

language that mischaracterizes a customer's obligations under the tariff. As submitted, Rule 24 states, in part:

"The Eligible Customer's Generating Facility shall include a telemetry and control interface which allows the Company to remotely measure, monitor, evaluate and verify technical compliance, Generating Facility performance, and power quality and, if necessary, control the Generating Facility ('Communications and Controls')." ²⁹

The excerpted language above does not precisely reflect the fact that a customer's generating facility need not include a telemetry and control interface, but rather that the customer may elect to either:

(1) have the Company install a separate smart production meter to be owned, installed or operated by the Company in which case the Company shall be responsible for the cost of metering and control of the Customer-Generator's Generating Facility; or (2) contract separately with a third-party aggregator where the Company will accept aggregated data from such aggregators that can meet the Company's technical requirements for reliability of data collection and provision to the Company consistent with Section 8.f of Appendix I to this Rule No. 24 in which case the Customer-Generator who elects to contract with a third-party aggregator shall be responsible for the costs of contracting with the third-party aggregator.³⁰

²⁹See HECO February Filing, Tariff Rule No. 24, Sheet No. 47E (emphasis added).

³⁰HECO February Filing, Tariff Rule No. 24, Sheet No. 47A (emphasis added). The commission notes that option 1, above, (i.e., Company installs a separate smart production meter to be

The commission directs the Companies to revise the tariff so that it more accurately captures a customer's obligations under Rule 24, and reflects the fact that it is the separate smart production meter, or third-party aggregator solution, that is providing the communications and control interface, rather than the customer's generating facility itself. The Companies shall make conforming changes to Section 8.f of Appendix I to Rule 24, as well as to any other section of the tariff, as necessary.

2.

Customer Eligibility Related to Communication and Control

The commission notes that the Companies' customer eligibility may be too narrowly construed as it pertains to communication and control requirements. The pertinent portion of Rule 24 states: "Customers that are unable to provide an acceptable telemetry interface will not be eligible to participate in the [CGS+] program."³¹ As several Parties have pointed out, this eligibility criteria may be particularly problematic for customers on neighbor islands and/or in rural communities whose location may prohibit adequate reception of the Companies' chosen

owned and operated by the Company), was a solution originally proposed by the Company.

³¹HECO February Filing, Tariff Rule No. 24, Sheet No. 47E.

cellular or comparable communications technology, and/or who may lack access to the specific telecommunications network selected by the Companies.³² The commission finds the exclusion of rural or neighbor island customers from participation in the CGS+ program due to the Companies' inability to maintain communications to be unacceptable.

Accordingly, the commission provides the following direction:

First, the Companies shall strike the following language from the "Communications and Controllability" section of Rule 24, Section 8.f of Appendix I thereto, and any other applicable section(s) of the tariff: "Customers that are unable to provide an acceptable telemetry interface will not be eligible to participate in the [CGS+] program."³³

Second, the Companies shall clearly articulate the minimum performance threshold necessary for the Companies to ensure sufficient communications connectivity to the Company-provided smart production meter.

Third, the Companies shall enable alternatives for those customers whose geographic location, or other variable, prevents the Companies from establishing sufficient

³²Joint Parties' Comments at 2.

³³HECO February Filing, Tariff Rule No. 24, Sheet No. 47E.

communications connectivity. The presumption is that such customers shall still be eligible to participate in the CGS+ program. The Companies shall notify the commission as to what options will be offered to these CGS+ program customers.

3.

Accelerated Timeline for Third-Party Aggregator Option

The commission observes that "[t]he Companies are presently working to more precisely define telemetry and control requirements for third-party aggregators and anticipate filing the proposed requirements for the [c]ommission's approval by the end of the second quarter 2018."³⁴ The commission finds that the timeline outlined by the Companies needs to be accelerated in order to provide customers with a CGS+ program third-party aggregator communication and controllability option in the near term. To that end, the Companies are directed to develop interim option(s) to enable customers to utilize a third-party aggregator to provide communications and control capabilities described in D&O 34924. This capability shall be enabled no later than May 31, 2018. The commission reiterates the need for the Companies to collaborate with prospective third-party aggregators on the development of this capability.

³⁴HECO February Filing at 2.

In addition, although the commission is supportive of the Companies' intention to utilize the Demand Response Management System ("DRMS") as a potential long-term solution for integration and enablement of third-party aggregators in the CGS+ program,³⁵ the commission finds that an interim, near-term solution must be developed in order to provide a third-party aggregator option to customers. To hold otherwise may preclude customers from meaningfully exercising the third-party aggregator option until November 2018, or later, i.e., 30 days after the "go-live" date for the DRMS.³⁶

B.

Rule 25 (Smart Export)

In D&O 34924, the commission held that Smart Export systems would not be subject to the communications and control requirements applicable to the CGS+ program.³⁷ In Order No. 35266, the commission observed that the Companies' proposed Rule 25 tariff

³⁵HECO February Filing at 2 n.8.

³⁶See Letter From: D. Brown To: Commission Re: Docket No. 2015-0411 - Demand Response Management System Implementation Project; Docket No. 2015-0412 - Demand Response Program Tariff Structure; Status Update to the Demand Response Portfolio Implementation Timeline, filed July 12, 2017 (DRMS Go-Live 12 months after commission D&O, which was filed October 18, 2017).

³⁷See D&O 34924 at 137.

language was inconsistent with D&O 34924, insofar as it required the same communications and control requirements as applicable under Rule 24, and directed the Companies to revise the Rule 25 tariff language to be consistent with the spirit and intent of D&O 34924.

The Companies' current Rule 25, however, still includes a "Communications" section, which states:

The Eligible Customer's Generating Facility shall include a telemetry interface which allows the Company to remotely measure, monitor, evaluate and verify technical compliance, Generating Facility performance, and power quality. The telemetry interface shall include monitoring of: (a) gross generation by the Generating Facility; (b) feedback of Watts, Vars, WattHours, current and voltage; and if applicable, monitoring of: (c) connection status of the Generating Facility, frequency, and operational state of charge (i.e., 0% to 100% of operational energy storage capacity). Customers that are unable to provide an accepted telemetry interface will not be eligible to participate in the Smart Export program.³⁸

By D&O 34924, the commission concluded that smart production meters would not be required for the Smart Export program.³⁹ The "Communications" section of Rule 25 requires customers to provide "a telemetry interface" which, as discussed

³⁸HECO February Filing, Rule No. 25, at Sheet No. 48E.

³⁹D&O 34924 at 137.

above in the context of Rule 24, is inconsistent with the commission's guidance in D&O 34924. Accordingly, the commission directs the Companies to strike Section D, "Communications" from Rule 25. The Companies shall make any and all necessary conforming changes to other sections of Rule 25 consistent with this guidance.

C.

Revised Proposed NEM Policy

On March 9, 2018, in response to Order No. 35266,⁴⁰ the HECO Companies submitted a Revised Policy for existing NEM customers to add energy storage systems.⁴¹

Upon reviewing the HECO Companies' Revised NEM Policy, the commission notes that while the Companies have improved upon their original proposal,⁴² the commission still has lingering

⁴⁰Order No. 35266, "Addressing Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited's Proposed Tariffs Filed Pursuant to Decision and Order No. 34924," filed February 5, 2018 ("Order No. 35266").

⁴¹Letter From: D. Brown To: Commission Re: Docket No. 2014-0192 - Instituting a Proceeding to Investigate Distributed Energy Resource Policies; Revised Proposed Policy and Procedure for Adding to NEM Systems, filed March 9, 2018 ("Revised NEM Policy").

⁴²See Letter From: D. Brown To: Commission Re: Docket No. 2014-0192 - Instituting a Proceeding to Investigate Distributed Energy Resource Policies; Proposed Policy and Procedure for Adding to NEM Systems, filed November 21, 2017 ("Initial NEM Policy").

questions and concerns. For example, the HECO Companies now provide for three NEM + energy storage system options: (1) residential NEM customers with export limitation up to 3 kW; (2) residential NEM customers with export limitation up to 10 kW; and (3) NEM customers with exports greater than 10 kW but not exceeding 100 kW.⁴³ While the commission appreciates the HECO Companies' willingness to explore innovative ideas to facilitate expedited interconnection of DER, the commission is concerned that the complexity of this proposed policy may be unnecessary and may inadvertently hinder the ability of NEM customers to add energy storage systems.

The commission observes that the HECO Companies have provided further details regarding enforcing compliance with export limits, measuring system exports, processing interconnection reviews, providing timely and transparent notice to customers, and clarifying that their exception for "emergency back-up systems," is limited to non-parallel systems that only provide power during the event of a power outage, as identified by the commission in Order No. 35266.⁴⁴ Questions remain within the interconnection review process, however, around the Companies' treatment and

⁴³See HECO Revised NEM Policy at 3-5.

⁴⁴See Order No. 35266 at 21.

calculation of system size, technical size, and program size. Moreover, to the extent the Companies propose to incorporate an additional "compliance" check related to kilowatt-hour ("kWh") export, the commission notes that additional kWh export may be an inherent part of adding non-export technology to existing NEM systems. The issue pertinent to the Companies' review of such systems should be whether a proposed system would result in increased kW output at a given moment in time.

That said, the commission understands that this is a developing process with few, if any, existing applications from which to draw examples. Before taking further action, the commission will provide the other Parties with the opportunity to submit additional comments regarding the Revised NEM Policy. Comments shall be filed with the commission no later than April 10, 2018. Following review and consideration of any submitted comments, the commission will rule on the HECO Companies' Revised NEM Policy, submitted on March 9, 2018.

III.

ORDERS

THE COMMISSION ORDERS:

1. The HECO Companies shall specify, with clarity and precision, the communications and control requirements in Rule 24, consistent with guidance in Section II.A.1, above.

2. The HECO Companies shall strike the following language from the "Communications and Controllability" section of Rule 24, Section 8.f of Appendix I thereto, and any other applicable section(s) of the tariff: "Customers that are unable to provide an acceptable telemetry interface will not be eligible to participate in the [CGS+] program," consistent with the guidance in Section II.A.2, above.

3. The HECO Companies shall clearly articulate the minimum performance threshold necessary for the Companies to ensure sufficient communications connectivity to the Company-provided smart production meter, consistent with the guidance in Section II.A.2, above.

4. The HECO Companies shall enable alternatives for those customers whose geographic location, or other variable, prevents the Companies from establishing sufficient communications connectivity. The presumption is that such customers shall still be eligible to participate in the CGS+ program and that such alternatives will be available no later than April 30, 2018.

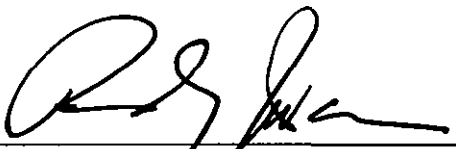
5. The HECO Companies shall submit their proposed communication and control requirements for the third-party aggregator option by May 31, 2018. The Companies are directed to collaborate with prospective third-party aggregators in the development of this policy. The expectation is that this policy will include sufficient detail and specificity to provide

necessary clarity to customers and aggregators alike. Such a policy shall also include an interim solution to allow for the integration and implementation of the third-party aggregator option in the near term, independent of the DRMS "go-live" operational schedule.

6. The commission solicits comments and feedback from the Parties with respect to the Companies' Revised Proposed NEM Policy. Parties' comments shall be filed with the commission no later than April 10, 2018.

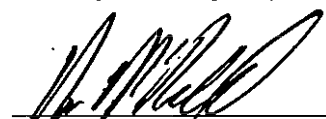
DONE at Honolulu, Hawaii MAR 28 2018.

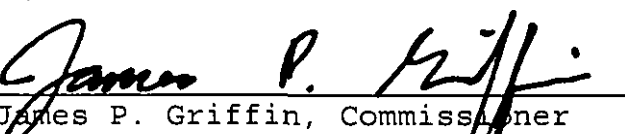
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Randall Y. Iwase, Chair

By 
Lorraine H. Akiba, Commissioner

APPROVED AS TO FORM:


Matthew T. McDonnell
Commission Counsel

By 
James P. Griffin, Commissioner

2014-0192.ljk

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail,
postage prepaid, and properly addressed to the following parties:

DEAN NISHINA
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

DEAN K. MATSUURA
MANAGER, REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001

KENT D. MORIHARA
KRIS N. NAKAGAWA
MORIHARA LAU & FONG LLP
841 Bishop Street, Suite 400
Honolulu, HI 96813

Counsel for KAUAI ISLAND UTILITY COOPERATIVE

ISAAC H. MORIWAKE
KYLIE W. WAGER
EARTHJUSTICE
850 Richards Street, Suit 400
Honolulu, HI 96813-4501

Counsel for HAWAII SOLAR ENERGY ASSOCIATION
And BLUE PLANET FOUNDATION

Certificate of Service

Page 2

HENRY Q. CURTIS
VICE PRESIDENT FOR CONSUMER AFFAIRS
LIFE OF THE LAND
P. O. BOX 37158
Honolulu, HI 96837

ERIK KVAM
PRESIDENT
RENEWABLE ENERGY ACTION COALITION
OF HAWAII, INC.
4188-4 Keanu Street
Honolulu, HI 96816

COLIN A. YOST
677 Ala Moana Boulevard, Suite 609
Honolulu, HI 96813

Counsel for HAWAII PV COALITION

TIM LINDL
KEYES, FOX & WIEDMAN LLP
436 14th Street, Suite 1305
Oakland, CA 94612

Counsel for THE ALLIANCE FOR SOLAR CHOICE

SANDRA-ANN Y.H. WONG
1050 Bishop Street, #514
Honolulu, HI 96813

Counsel for SUNPOWER CORPORATION and
APOLLO ENERGY CORPORATION

Certificate of Service

Page 3

DEBORAH DAY EMERSON
GREGG J. KINKLEY
DEPUTY ATTORNEY GENERALS
DEPARTMENT OF THE ATTORNEY GENERAL
STATE OF HAWAII
425 Queen Street
Honolulu, HI 96813

Counsel for the DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT, AND TOURISM

RON HOOSON
1384 Aupupu Street
Kailua, HI 96734

CHRIS DeBONE
ACTING PRESIDENT
DISTRIBUTED ENERGY RESOURCES
COUNCIL OF HAWAII
99-1350 Koaha Place
Aiea, HI 96701

HENRY Q. CURTIS
ASST. VICE PRESIDENT
PUNA PONO ALLIANCE
P. O. Box 37313
Honolulu, HI 96837

GERALD A. SUMIDA
ARISMA A. MULLER
CARLSMITH BALL LLP
ASB Tower, Suite 2100
1001 Bishop Street
Honolulu, HI 96813

Counsel for ULUPONO INITIATIVE LLC

Certificate of Service

Page 4

CARLITO P. CALIBOSO
WIL K. YAMAMOTO
YAMAMOTO CALIBOSO
1100 Alakea Street, Suite 3100
Honolulu, HI 96813

Counsel for THE ENERGY FREEDOM
COALITION OF AMERICA, LLC